

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11  
:   
Value City Holdings, Inc., et al. : Case No. 08-14197 (JMP)  
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Debtors. : (Jointly Administered)  
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**ORDER TO SHOW CAUSE WITH RESPECT TO DEBTORS' MOTION SEEKING, PURSUANT TO SECTIONS 105, 363 AND 365 OF TITLE 11 OF THE BANKRUPTCY CODE, AND BANKRUPTCY RULES 2002, 6004 AND 6006, ENTRY OF (I) AN ORDER (A) ESTABLISHING AUCTION AND BIDDING PROCEDURES TO SELL THE DEBTORS' INTERESTS IN THEIR REMAINING UNEXPIRED NONRESIDENTIAL REAL PROPERTY LEASES, (B) APPROVING CERTAIN BID PROTECTIONS TO A STALKING HORSE BIDDER, IF APPLICABLE, (C) FIXING THE FORM AND MANNER OF NOTICE OF THE BIDDING PROCEDURES, THE AUCTION AND THE SALE HEARING, (D) ESTABLISHING PROCEDURES FOR SETTING CURE AMOUNTS, AND (E) SCHEDULING A SALE HEARING TO CONSIDER LEASE ASSIGNMENTS OR LEASE TERMINATION AGREEMENTS WITH THE PARTIES PROVIDING THE HIGHEST OR BEST OFFERS RECEIVED BY THE DEBTORS PURSUANT TO THE BIDDING PROCEDURES; AND (II) AN ORDER (A) APPROVING AND AUTHORIZING THE SALE OF THE LEASES PURSUANT TO ONE OR MORE ASSUMPTION AND ASSIGNMENT AGREEMENTS, OR ENTRY INTO ONE OR MORE LEASE TERMINATION AGREEMENTS, (B) ESTABLISHING CURE AMOUNTS, AND (C) WAIVING THE TEN (10) DAY STAY PROVIDED FOR UNDER BANKRUPTCY RULES 6004(H) AND 6006(D)**

Upon the Affidavit of John C. Longmire, Esq. pursuant to Rule 9077-1(a) of the Local Rules for the United States Bankruptcy Court for the Southern District of New York, dated December 17, 2008 (the "**Affidavit**"); and upon the accompanying motion (the "**Motion**") of the debtors and debtors in possession in the above-captioned cases (collectively, the "**Debtors**"), seeking, pursuant to sections 105, 363 and 365 of title 11 of the United States Code, (the "**Bankruptcy Code**"), and Rules 2002, 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") entry of (I) an order (the "**Bidding Procedures Order**") (a) establishing auction and bidding procedures (the "**Bidding Procedures**") to sell the Debtors' interests in their remaining unexpired nonresidential real property leases, (b) approving certain

bid protections to a Stalking Horse Bidder (as defined in the Motion), if applicable, (c) fixing the form and manner of notice of the Bidding Procedures, the auction and the sale hearing, (d) establishing procedures for setting cure amounts, and (e) scheduling a sale hearing to consider lease assignments or lease termination agreements with the parties providing the highest or best offers received by the Debtors pursuant to the Bidding Procedures; and (II) an order (the “**Sale Order**”) (a) approving and authorizing the sale of the Leases pursuant to one or more assumption and assignment agreements, or entry into one or more lease termination agreements, (b) establishing cure amounts, and (c) waiving the ten (10) day stay provided for under Bankruptcy Rules 6004(h) and 6006(d); and it appearing that entry of this Order to Show Cause is necessary and beneficial to the Debtors, their estates and creditors; and it appearing that no notice of this Order to Show Cause need be given, except as provided herein; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, that capitalized terms used but not defined herein have the meanings given them in the Motion; and it is further

ORDERED, that a hearing to consider entry of the Bidding Procedures Order shall be held before the Honorable James M. Peck United States Bankruptcy Judge, in Courtroom 601, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004 on **December 23, 2008 at 10:00 a.m. (prevailing Eastern Time)** (the “**Hearing**”), or as soon thereafter as counsel may be heard; and it is further

ORDERED, that objections, if any, to the proposed Bidding Procedures Order must: (i) be made in writing; (ii) state with particularity the legal and factual ground therefor; (iii) conform to the Bankruptcy Rules and the Local Rules of the Court; (iv) be filed with the Bankruptcy Court electronically in accordance with General Order M-182 (General Order M-182

and the User's Manual for the Electronic Case Filing System can be found at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov), the official website for the Bankruptcy Court), by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), Microsoft Word or any other Windows-based word processing format (with a hard-copy delivered directly to Chambers); and (v) be served upon the parties identified below (the "**Notice Parties**") so as to actually be received by each of the Notice Parties by **4:00 p.m. (prevailing Eastern time) on December 22, 2008:**

- (a) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019, Attn: John C. Longmire, Esq.;
- (b) Hilco Real Estate, LLC, 5 Revere Drive, Suite 320, Northbrook, IL 60062, Attn: Ross Block;
- (c) counsel to the Official Committee of Unsecured Creditors, Otterbourg, Steindler, Houston & Rosen, P.C., 230 Park Avenue, New York, NY 10169, Attn: Glenn B. Rice, Esq.;
- (d) Value City Department Stores, LLC, 3241 Westerville Road, Columbus, OH 43224, Attn: Stephen B. Darr, Chief Financial Officer; and
- (e) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, NY 10004 (Attn: Gregory Zipes, Esq.); and it is further

ORDERED, that the Debtors shall provide notice of the Motion, this Order to Show Cause and the Affidavit by electronic mail, fax, hand delivery or overnight courier to: (i) the U.S. Trustee; (ii) counsel to the DIP Agent; (iii) counsel to the Committee; (iv) all known parties having an interest in the Leases; (v) all landlords under the Leases; and (vi) all parties who have filed requests for service of all pleadings pursuant to Bankruptcy Rule 2002 as of the day prior to the service hereof, within one (1) business day after entry of this Order to Show Cause, which service shall be deemed good and sufficient notice of the Motion and the Hearing.

Dated: New York, New York  
December 17, 2008

*s/ James M. Peck*  
HONORABLE JAMES M. PECK  
UNITED STATES BANKRUPTCY JUDGE